

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Department of Human Resources	David Bracilano/47874 Sarah Butler/47929	Forrest Longman/40331

Legislation Title:

AN ORDINANCE relating to City employment; authorizing the execution of a memorandum of understanding between the City of Seattle and the Washington State Council of County and City Employees Local 21-PA, AFSCME; providing payment therefor; and ratifying and confirming prior acts.

Summary of Legislation:

This legislation authorizes the Mayor to implement a Memorandum of Understanding (“MOU”) between the City of Seattle and the Washington State Council of County and City Employees Local 21-PA, AFSCME (“Local 21-PA”) that is consistent with the terms of the one-year 2014 agreement between the City and the Coalition of City Unions. The MOU is a one year agreement for wages, benefits, hours and other working conditions between the City and Local 21-PA (collectively, “the parties”) for the time period January 1, 2014 through December 31, 2014. This legislation affects approximately 23 regularly appointed City employees within the City Attorney’s Office.

Background:

The prior collective bargaining agreement with Local 21-PA expired December 31, 2013. As such, the parties entered into negotiations for a new contract. Union membership ratified the one-year agreement in November of 2014.

This MOU provides for a 1.8 percent cost-of-living increase effective January 1, 2014 for employees in the step progression pay program; and employees in the Senior Pay Band who have not been incumbency rated, which is 100 percent of the annual average growth rate of the bi-monthly Seattle-Tacoma-Bremerton Area Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the period August 2011 through June 2012 to the period August 2012 through June 2013. All incumbency rated employees in the Senior Pay Band will receive a one-time salary payment equal to 1.8 percent of their annual salary as of January 1, 2014. With regard to other wages, benefits, hours and other working conditions, the MOU continues the same conditions of the expired labor agreement for the duration of the one-year agreement. This includes continuance of health care cost sharing: the City will pay up to seven percent of annual healthcare cost increases and then additional costs will be covered by the Rate Stabilization Fund. Once that Fund is exhausted, the City will pay 85 percent and employees will pay 15 percent of any additional costs.

The MOU also establishes other terms and conditions of the one year agreement. The parties have agreed to:

- Reopen negotiations on salary adjustments to specific job titles, with an effective date (subject to negotiations) no earlier than January 1, 2014;
- Reopen negotiations on changes to the Retirement System; however, any negotiated changes would not be effective before January 1, 2015; and,
- Continue to bargain a successor agreement.

 This legislation does not have any financial implications.

 X **This legislation has financial implications.**

The costs for this MOU were authorized by Ordinance No. 124488, which appropriated funds to City departments to pay for the 1.8 percent increase in wages. Labor Relations developed the estimates for the 2014 costs of ratifying the Coalition and other agreements for that Ordinance and as such, no additional appropriation authority is necessary at this time.

Costs beyond 2014 related to this agreement will be included in subsequent budget actions related to the 2015-2016 Biennium Budget.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

This legislation permanently increases the wage rates of Local 21-PA members.

b) What is the financial cost of not implementing the legislation?

If the contract is not legislated, employees will continue to receive wages that became effective on January 2, 2013. There may be additional legal risks associated with not implementing this legislation.

c) Does this legislation affect any departments besides the originating department?

This legislation affects the City Attorney's Office. There are no operational impacts associated with this legislation.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

None.

e) Is a public hearing required for this legislation?

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

g) Does this legislation affect a piece of property?

No.

h) Other Issues: None.

List attachments to the fiscal note below: None.